



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

July 13, 2007

Michael F. Childers, Treasurer
Democratic Party of Wisconsin Federal Account
222 W. Washington Avenue, Suite 150
Madison, WI 53703

Response Due Date:
August 13, 2007

Identification Number: C00019331

Reference: February Monthly Report (1/1/07-1/31/07)

Dear Mr. Childers:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** Additional information is needed for the following 5 items:

1. Schedule A supporting Line 15 of the Detailed Summary Page discloses a refund(s) or rebate(s) of what appears to be a previously disclosed allocable expense(s) from "AT&T." Please be advised that when a committee receives a refund or rebate of an allocable expense, it must be allocated between the federal and non-federal accounts according to the same allocation ratio used to allocate the original disbursement. Furthermore, the federal account must transfer the non-federal portion to the non-federal account and disclose this transfer-out on Schedule H4. Your report does not appear to disclose a transfer-out of the non-federal portion of this refund(s) or rebate(s). Please provide clarification regarding this apparent omission.

2. Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$7,666.05 for "Printing." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

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Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

3. Your report discloses a payment on Schedule D to "Wells Print & Digital," which has not been recorded on a disbursement schedule. Debt payments must be reflected on a Schedule B, E, F, H4 or H6 as well as on Schedule D. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(5)(D)

4. Schedule D of your report discloses an apparent credit for a debt owed to "Park Plaza Oshkosh." If this debt has been forgiven, please be advised that Commission regulations (11 CFR Part 116) control the settlement of debts between political committees and their creditors. You should be aware that only terminating committees are permitted to settle debts. However, ongoing committees may request a determination from the Commission that a debt is not payable. 11 CFR §116.2(b)

If this represents resolution of a disputed debt, please note that until the creditor and committee resolve the dispute, the committee must disclose the amount the committee admits it owes, the amount the creditor claims is owed, and any amount the committee has paid the creditor. 11 CFR §116.10(a). Please provide further clarification regarding this apparent credit.

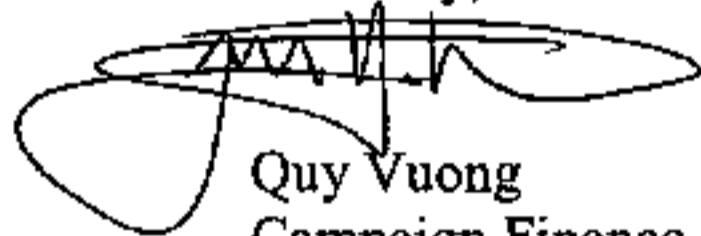
5. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Payroll." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity (FEA) or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Please clarify whether this activity is for employees who spent 25% or less of their time during the month(s) referenced above on FEA or activities in connection with a Federal election. If this is not the case, any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding any improper allocation activity, your prompt action will be taken into consideration.

Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1148.

Sincerely,



Quy Vuong
Campaign Finance Analyst
Reports Analysis Division
